

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7340

BILL NUMBER: HB 1378

NOTE PREPARED: Apr 8, 2003

BILL AMENDED: Apr 3, 2003

SUBJECT: Abandoned Buildings.

FIRST AUTHOR: Rep. Day

FIRST SPONSOR: Sen. Server

BILL STATUS: As Passed - Senate

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill consists of the following provisions:

(A) This bill grants neighborhood associations standing to commence civil actions to promote compliance with ordinances when permitted by the enforcing agency.

(B) The bill allows neighborhood associations to acquire dwellings through urban homesteading for rehabilitation and sale.

(C) The bill allows municipalities to recover costs of bringing property into compliance with ordinances.

(D) It allows a receiver in possession of property to sell the property. The bill also provides for repair alternatives for unsafe buildings in a receivership.

(E) The bill provides that an order issued by an enforcement authority under the unsafe building law concerning repair and rehabilitation of an unsafe building to bring it into compliance with certain required standards for building condition or maintenance becomes final ten days after notice is given unless a hearing is requested in writing by a person holding: (1) a fee interest; (2) life estate interest; or (3) an equitable interest of a contract purchaser in the unsafe premises.

The bill also makes certain other changes.

Effective Date: Upon passage; July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: *Provision A - Court Fee Revenue:* Community organizations, which could include a citizen's group, neighborhood association, neighborhood development corporation, or similar organization, would be able to bring a civil action regarding unsafe premises in the circuit, superior, or municipal court of the county. Currently, only an executive department authorized by ordinance to administer the Unsafe Building Law may do so. If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed. 70% of the filing fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures: (Revised) *Provision C* - This provision removes the requirement that a violation of an ordinance be located outdoors and not involve a building or structure before the municipal corporation may issue a bill to the owner for expenses incurred by the municipality in bringing the property into compliance with the ordinance. A municipal corporation may be able to recoup expenditures in a more timely manner via billing the owner than would otherwise be if the expenditures were made a lien against the property.

This bill also allows for a registry of properties that violate a municipal ordinance to be established and maintained by the chief administrative officer of the Department of Metropolitan Development or other agency authorized to administer the Unsafe Building Law. Additional administrative costs could be incurred by carrying out this provision, depending on lists municipalities may already maintain.

Explanation of Local Revenues: *Provision A - Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts.

Fiscal Analyst: Valerie Ruda, 317-232-9867